

**DAVIS MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS MONTHLY MEETING MINUTES
MAY 10, 2014**

President Jeff Fisher called the meeting to order at 2:05 PM. A quorum was established and posting of the agenda was verified. All Board members were present; President Jeff Fisher, V.P. Steve Barr, Treasurer Joe Rowe, Secretary Phyllis Arp, Harold "Toby" Barker, Rick Draheim, Marti Fellers, Sandra Holzheuser, Terry Segura and Jeff Smith.

President Fisher led the Pledge of Allegiance and Pastor Lloyd Low gave the Invocation.

Fisher said that some items would be for Board discussion only.

Phyllis Arp read the minutes of the April 12, 2014 Monthly Board Meeting. Steve Barr made the motion to approve the minutes as corrected. Motion carried unanimously.

Steve Barr made the motion to approve the correction of the posting date on the April 12, 2014 Agenda. Motion carried unanimously.

Joe Rowe gave the Treasurer's Report. (Rowe pointed out a \$3.99 error on last month's report. Phyllis Arp confirmed that she, as Secretary, made financial records available prior to the meeting for Board member review. Sandra Holzheuser asked to review Ken McLoud's and Steve Barr's work logs. Joe Rowe asked that Barr & Holzheuser discuss Barr's logs while Rowe retrieved McLoud's logs. Barr said his own daily journal logs, as supervisor, are not attached to his timesheets. Jeff Fisher went on record as saying that work logs had never been requested for review by Board members. Holzheuser went on record saying she disagreed and that employee work logs "used to be attached to the timesheets." Joe Rowe pointed out, that per our Purchasing Procedures Board approval is not required for payment of utilities or payroll. Holzheuser questioned the Procedures and Rowe reminded Holzheuser she had voted to adopt the Procedures in 1994. Marti Fellers commented on the good price of the new office computer.) Jeff Smith made the motion to, "accept the Treasurer's Report and approve paying the bills." Motion carried with Sandra Holzheuser opposing.

Phyllis Arp went on record saying that both Toby Barker and Terry Segura showed up early to review all the financial records yet when Holzheuser was offered the records she declined review. President Fisher said he was a bit offended because his company had done some work for DMPOA and a Board member is opposed to paying his bill. Holzheuser said, "Unfortunately we make a motion to approve everything. It's not that anybody questions paying your bill, but we don't get to vote on different pieces of it. We have to take the whole thing." Barr reiterated the Purchasing Procedures. Joe Rowe began to make a motion to approve the bills [omitting specific checks]. President Fisher called for point of order as the motion to pay the bills had already been approved.

President Fisher addressed the item, Annual Auditor Update. Joe Rowe made the motion to postpone the item to later in the meeting when the Auditor arrives. Motion carried unanimously.

Patty Roach of Lannom & Roach CPA gave the Report on professional review of records. (Roach provided each Board member a spiral-bound printed report, and gave an extensive verbal report; including

analytics of cash accounts, bank reconciliations, payroll, 941 reports to the IRS, and monthly and annual financial reports. Roach said Deb [Lagarde] and Joe [Rowe] were very cooperative, the system is well designed, the ledgers are balanced on a monthly basis, and both Deb and Joe are doing excellent jobs. Roach also commended the Association for its processes and procedures saying, "Which is unusual for a small organization." Rowe asked Roach to clarify why DMPOA real estate should not be included as an asset on the annual report. Roach confirmed that common property cannot be sold without membership approval so it should not be considered an "asset." Roach also addressed Joe's question concerning prepaid assessments as technically being a "liability," referencing "services not yet rendered." President Fisher asked for Roach's opinion concerning an audit of the books. Roach said the books are in good shape and an Auditor should be pleased. Roach also confirmed that Lagarde and Rowe treated her with respect and professionalism and were forthcoming with all her many questions and requests. President Fisher opened the floor for questions and Roach answered Eleanor Maynarich and Sam House). Jeff Smith moved to approve and accept the review. Motion carried unanimously.

Joe Rowe gave the Resolution Committee Report. (2 more property owners are now off the foreclosure list.) No action taken.

Steve Barr gave the Road Committee Report. (Terry Segura asked if the main road could be bladed once a week and Barr said relocating the maintainer every week would not be feasible. Barr went on to explain problems with the main road citing too much gravel, not enough binder material and speeding vehicles. Barr said they intended to blade the main road before the next Board meeting. There was further discussion between Barr and Segura. Sandra Holzheuser complemented the work on Bandolero and asked about a plan concerning the trees and branches on the road. Barr confirmed they would "not be left there." There was further discussion between Barr and Holzheuser.) No action taken.

Marti Fellers addressed the item, Update on letter from Bill Weinacht. (Fellers read a written response from the DMR VFD Fire Chief; the County Fire Marshall recommended small brush piles be created on Weinacht's property in open areas for burning when wind and weather permit. Even though the property is located outside of DMR, the DMR VFD has agreed to assist in burning those brush piles when possible.)

Marti Fellers gave the DMR VFD Report. (Fellers read the Fire Chief's written report which included the announcement **that Darell Fellers' will not be running for reelection for Fire Chief this year.**) Copy of report on file. No action necessary.

Joe Rowe readdressed the Weinacht issue saying we needed to take action. Jeff Smith made the motion we send a letter citing the Fire Chief and Fire Marshall and stating our position. (It was clarified that the DMPOA brush pile could not be used.) Phyllis Arp amended the motion to include that the letter be sent by President Jeff Fisher. Both the amended motion and main motion carried unanimously.

Meeting recessed at 3:26 p.m. and reconvened at 3:50 p.m.

Ann Brevard gave the Nominating Committee Report. (The deadline to be included on the ballot is May 16. The Committee nominated Lloyd Low as Election Judge, and Low would like to nominate Sandy Irish, Sue Low, Mary Lou O'Brien and Edna Queen as counters.) Jeff Smith moved to accept the nominations. (Sandra Holzheuser asked if anyone was not a property owner. Brevard confirmed Lloyd Low and Sue Low are not property owners, citing nothing prohibitive. Joe Rowe confirmed it was not

without precedence because in the past we'd had a Judge who was not a property owner. Holzheuser asked if Lloyd Low had ever worked an election [for DMPOA] and Brevard answered, "no." Holzheuser said she had no problem with Low not being a property owner, and that her question and only problem was that he's never worked an election.) Toby Barker called to question. Motion carried unanimously.

Ann Brevard presented the proposed Proxy Procedures. (Brevard answered Sandra Holzheuser's questions.) Toby Barker moved we accept the Proxy Procedures. Motion carried unanimously.

Ann Brevard presented the proposed Official Proxy. (Holzheuser asked how the candidate names would be listed. Brevard answered, "Alphabetically." Holzheuser cited the Texas Election Code and a related law that position on the ballot required a drawing. Brevard asked for a copy of the law. Phyllis Arp also asked for a copy for the Secretary's files. There was much further discussion. Holzheuser said that whether or not the law applied to the Association, "why not go ahead and follow it?" Brevard said the Nominating Committee must be autonomous and do nothing to unduly influence. Nor should the Committee be unduly influenced. Holzheuser asked if we were going to have a special meeting to approve the Proxy once it contained the candidates' names. President Fisher and Joe Rowe said we could approve the form without the names because there were spaces for the names.) Joe Rowe made the motion to accept the Proxy form. (Concerning the position of the candidates' names, Rick Draheim cited the By-Laws with regard to the Committee and said, "We can't violate the By-Laws by a vote by the Board." It was confirmed that the Committee would research the law Holzheuser had presented, and follow that law if applicable.) Toby Barker called to question. Motion carried with Holzheuser opposing.

Ann Brevard presented the proposed Official Ballot. Toby Barker moved to accept the Ballot. Motion carried with Holzheuser opposing. (Brevard and committee members Steve Barr and Rick Draheim reconfirmed they would comply with the Texas Election Code if the law applied to the DMPOA.)

Meeting recessed at 4:18 p.m. and reconvened at 4:30 p.m.

President Fisher read the Annual Meeting Letter. (There was discussion concerning the Raffle and BBQ benefitting the DMR VFD.) Steve Barr moved to accept the letter. Motion carried unanimously.

Sandra Holzheuser made the motion the Election Judge be allowed to buy whatever supplies he sees necessary. Motion carried unanimously.

President Fisher gave the Water Resource Committee Report. (Janet Adams with the Underground Water District Board confirmed with Fisher and Joe Rowe that there were no protests concerning the Cochise well and the well now belongs to the DMPOA. However, Adams had asked for a letter from DMPOA requesting exemption to the District's spacing rule [location to a property line], the specific coordinates, and that the well would become part of DMPOA common property. The letter was provided to and accepted by the Water District. Fisher said it has been a long process but we are now owners of the well, and the Committee plans to move forward with testing. Fisher and Steve Barr reconfirmed that the well is to be used for emergency purposes.) No further action required.

Marti Fellers gave the Update on the Evacuation Committee. (Fellers confirmed she is not running for reelection to the Board but is willing to continue as Committee Chair. Fellers also confirmed current

committee members as being Edna Queen, Maria Lejeune, and Barbara House.) Joe Rowe made the motion Marti Fellers continue on as Evacuation Committee Chair. The motion carried unanimously.

Phyllis Arp gave the Update on replacement of office computer. (Arp said the new Dell computer cost just over \$470.00, and the plan was to transport the old and new computers to Alpine for data transfer. Jeff Smith suggested having a backup disc made. There was further discussion.) Marti Fellers made the motion that Phyllis Arp be authorized to coordinate the project. Motion carried unanimously.

Jeff Smith pointed out that the Annual Auditor had not shown up at the meeting. Joe Rowe said the Auditor, Paul Van Tine, had scheduled the audit for May 13 at 5:00 p.m. and if there is anyone who would care to attend as a witness, they may do so. Rowe clarified he was only extending Van Tine's invitation.

OPEN COMMENTS

Sandra Holzheuser said today is her oldest son's birthday. (There were applause.) Holzheuser also said she'd heard a rumor and that she has never and will never discuss anything discussed at an Executive Session outside that Session.

Michele Boulter asked, "Does anybody else in this room want to take a pot shot at Sandra?"

Ann Brevard said we are not a political subdivision so the election law does not apply. Steve Barr confirmed Brevard's statement. Eleanor Maynarich said she didn't understand the opposition to having a drawing. Barr said he'd researched; he outlined different methods of selecting candidate position order and said it does not have any bearing on election outcome. Jeff Smith commented on how the Board selects officers and committees, saying that they have a job, make proposals and their jobs should not be micromanaged. Sam House said he was puzzled and Jeff Fisher clarified that the alphabetical method and random drawing method have both been used in the past. Brevard said it isn't really about the method it is more about the Committee's ability to function. Lee Leland said he saw an advantage to alphabetical and he cited using a phonebook. Rick Draheim outlined a random drawing method using quantum effects and a photon generator (there were some laughs).

Jeff Smith made the motion to adjourn. Motion carried unanimously.

Meeting adjourned at 5:15 P.M.

APPROVED AS CORRECTED 6/14/14

Phyllis Arp
DMPOA, Inc. Secretary